

**DESTINATION MEDICAL CENTER CORPORATION
BOARD OF DIRECTORS**

**MINUTES
October 29, 2015**

- I. Call to Order. Chair Tina Smith called the meeting to order at 9:30 a.m. at the Mayo Civic Center, Presentation Hall, located at 30 Civic Center Drive SE, Rochester, MN 55904.
- II. Roll Call. In attendance were Chair Tina Smith, R.T. Rybak, Mayor Arde F. Brede, Council Member Ed Hruska, Commissioner Jim Bier, and Bill George.
- III. Approval of Agenda. Council Member Hruska moved approval of the Agenda. Mr. George seconded.

Ayes (6), Nays (0), Motion carried.
- IV. Approval of Minutes. Chair Smith requested approval of the Minutes from the meeting held on September 24, 2015. Commissioner Bier moved approval. Mayor Brede seconded.

Ayes (6), Nays (0), Motion carried.
- V. Public Comment Period. Chair Smith invited members of the community to provide comments.

Barry Skolnick, Rochester resident, spoke about historic and heritage preservation and the ordinance which the Heritage Preservation Commission has forwarded with its recommendation to the City Council.

Nancy Slocum, Rochester resident, echoed the concerns about historic preservation, adding the importance of having the Commission and City Council review all buildings that are added or removed from the list of historic properties.

Michael Wojcik, Rochester City Council Member, commented on progress and process as it related to DMC. He noted a concern about how proposals are being forwarded to the DMCC, and specifically mentioned the proposed arena project. He stated that DMC funds are precious, and caution should be used; because DMCC has authority over public dollars, it needs to address conflicts head-on and plan to achieve desired outcomes.

Ivan Idso, chair of Rochester EarthFest, expressed support for a comprehensive renewable energy plan in Rochester and requested DMC support for the weeklong "EarthFest" event planned for April 2016.

Richard Olen, of Shorewood, Minnesota, spoke about an elevated transit system in Rochester and noted that the Schwagger Davis firm has expressed interest in providing input during transportation planning.
- VI. Chair's Report. Chair Smith welcomed the public, the City Council members and County Board members in attendance. She noted that the meeting would focus on affordable housing and the patient and visitor experience. She noted a sense of

urgency with respect to marketing, metrics and momentum when the DMCC considered the budget at its last meeting, and reminded the Board of its three priorities: transportation, Discovery Square and Heart of the City. With respect to Heart of the City, Chair Smith invited discussion about the public spaces in the Heart of the City district, and said that she would suggest a process for a request for proposals in November. Mr. Rybak stated that Peace Plaza is the best public space in the state, but needs to be the best in the world to enhance the destination medical center. He encouraged the Board to protect the public realm and move forward with its vision. Mr. George expressed support, and Mayor Brede noted that these discussions would also enhance the Chateau Theatre.

- VII. DMCC 2015 Budget: Year to Date Update. Commissioner Bier provided the 2015 Budget update. 56% of the total 2015 budget remains with just three months left before year end.
- VIII. DMCC: Form 990. Craig Popenhagen, of Clifton Larson Allen, provided an overview on the DMCC's draft Form 990 and the Minnesota Annual Report. He explained that the 990 filing is required for all nonprofit entities. Mr. Popenhagen reviewed each section of the document and acknowledged that the form is stamped "draft" in order to give the Board the opportunity to review the form before it is submitted to the IRS. Commissioner Bier moved to authorize the Chair or the Treasurer to make any final revisions to the Form 990 and the Minnesota Annual Report and to execute and file it with the IRS and Attorney General's Office, respectively. Council Member Hruska seconded.

Ayes (6), Nays (0), Motion carried.

- IX. Center for Energy and Environment: Update. Mike Bull, CEE Communications and Policy Director, provided a brief update on the progress made with the study. They have worked with individuals in the community to gain a better understanding and learn more about the needs of the Rochester community, and plan to seek additional public input at the Rochester Energy Commission on November 10. Mr. Rybak stated that the integration of all of the energy players was important, and that the final report should hold each player accountable. Council Member Hruska asked about metrics and what the report's recommendations would cover. CEE will provide a comprehensive report at the November Board meeting.
- X. Affordable Housing. Olmsted County Commissioner Stephanie Podulke and Olmsted County Housing Director Cheryl Jacobson provided an overview on affordable housing. Commissioner Podulke presented a history of the HRA, and discussed the projected community-wide labor and housing shortage. She discussed the surrounding smaller cities and the availability of housing. Mr. Rybak requested data on the workforce, and noted that the DMCC had leverage to apply on tying investments to required goals. Council Member Hruska commented on the housing currently under construction in Rochester and in the development district.
- XI. Patient and Visitor Experience. Jeff Bolton, Chair of the EDA Board of Directors, Lisa Clark, EDA Executive Director, Mayo Clinic-DMC Manager Heidi Mestad, and Dr. Sandhya Pruthi provided an update on Patient and Visitor Experience research conducted by Mayo Clinic. At 67%, Mayo Clinic patients and companions make up the largest market segment of visitors to Rochester. Business visitors and community residents were other key market segments that have been surveyed. The research indicated common perceptions/desires across all visitor subsets. The EDA has collaborated with Mayo Clinic's Office of Patient Experience, the Rochester Convention and Visitors Bureau and other organizations to explore new ways of integrating efforts to create a more seamless patient experience. The following are

areas where DMC should concentrate efforts to enhance patient and visitor experience: providing a sense of welcome at key touch points; facilitating the patient, companion, and visitor journey; creating places, programs and services for patients to feel “normal” during their time in the community; and engaging visitors and community residents in health and wellness.

Mr. George thanked the presenters, and asked whether Mayo had collected information on competing centers, and noted that the hospitality industry influences how patients feel about their experiences. Council Member Hruska commented that the certified ambassador program would demonstrate the care offered and taken by the entire community.

- XII. Economic Development Agency: Update. Mr. Bolton and Ms. Clarke provided the EDA update. Mr. Bolton reported on the outcome of the most recent EDA Board meeting, and stated that there was good progress on the Discovery Square feasibility study, with an update to be provided in November. He stated that Mayo is working on its five-year CIP, and he felt confident about the \$3.5 billion target.

Ms. Clarke reported that the EDA is working with the City to create a process for reviewing development projects that come forward for DMC funding. There are more than a dozen projects in the DMC for review. The EDA will be hosting a roundtable with a group of developers, construction companies and other groups to get input on the development and funding process. The EDA is also working on a Developer's Guide, which will serve as a resource for development within the DMC District.

Ms. Clarke reported that the EDA released a Request For Qualifications for a marketing consultant to advance the DMC's comprehensive marketing effort, and that the EDA is evaluating local, regional, state, national, and international health and wellness initiatives in DMC's effort to become America's City for Health. She noted that the EDA is assisting the City in its transportation planning efforts, and is supporting several regionally-focused initiatives, including Rochester's Global Entrepreneurship Week, the Greater Rochester Arts and Cultural Trusts public art master planning, and a partnership with MN Nice Ride. In addition, the EDA is in early stages of developing long-term strategies and relationships with several entities, including MN DEED, Life Science Alley and Greater MSP, in an effort to mutually leverage resources and relationships at the state, national, and international levels. Finally, the EDA is operating within budget for 2015 and utilizing the Working Capital Loan structure implemented by the DMCC and the City.

- XIII. City of Rochester: Update. City Council President Randy Staver provided a brief update. The City Comprehensive Plan process is underway and making progress. The City is soliciting community input and has received many submissions to date. The City is currently reviewing its updated plan and will provide a first draft by the end of this year for public review. The final plan will undergo public review and adoption in early 2016.

President Staver also commented briefly on affordable housing, noting that the City has paid considerable attention to this issue over the years. In the past 15 years, the City has financed over 1,500 new affordable units and an additional 500 rehabilitation units. He commented on the City's newest type of housing unit, the medical stay housing complex.

On behalf of Mayor Brede, President Staver noted that the Chateau Theatre task force continues to meet. Completion of the sale of the Chateau has been extended to the end of the year.

XIV. Meeting Schedule. The next regular meeting of the DMCC is Thursday, November 19, 2015, at 9:30 a.m.

XV. Adjournment. Mr. George moved to adjourn the meeting. Mr. Rybak seconded.

Ayes (6), Nays (0), Motion carried.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Lisa Clarke', with a stylized, cursive script.

Lisa Clarke
Secretary

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